

Grimm David M  
 Form 4  
 February 12, 2009

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Grimm David M

(Last) (First) (Middle)

6300 BEE CAVE  
 ROAD, BUILDING TWO, SUITE  
 500

(Street)

AUSTIN, TX 78746

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 Forestar Group Inc. [FOR]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/10/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 \_\_\_X\_\_\_ Officer (give title below) \_\_\_ Other (specify below)  
 Chief Administrative Officer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_X\_\_\_ Form filed by One Reporting Person  
 \_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock					9,060	D	
Common Stock	02/10/2009		A		12,110 <u>(1)</u>	A	\$ 9.29 21,170 <u>(2)</u>
Common Stock					1,000	I	By Spouse
Common Stock					528 <u>(3)</u>	I	By Trustee 401(k) Plan

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) <u>(4)</u> <u>(5)</u>	\$ 13.26					02/01/2003	02/01/2012	Common Stock	66
Option (right to buy) <u>(5)</u> <u>(6)</u>	\$ 9.83					08/01/2004	08/01/2013	Common Stock	53
Option (right to buy) <u>(5)</u> <u>(7)</u>	\$ 15.02					02/06/2005	02/06/2014	Common Stock	40
Option (right to buy) <u>(5)</u> <u>(8)</u>	\$ 20.26					02/04/2006	02/04/2015	Common Stock	53
Option (right to buy) <u>(5)</u> <u>(9)</u>	\$ 27.06					02/03/2007	02/03/2016	Common Stock	1,7
Option (right to buy) <u>(5)</u> <u>(10)</u>	\$ 30.56					02/02/2008	02/02/2017	Common Stock	1,7
Option (right to buy) <u>(11)</u>	\$ 28.85					02/12/2009	02/12/2018	Common Stock	22,3
Option (right to buy) <u>(12)</u>	\$ 9.29	02/10/2009		A	17,703	02/10/2010	02/10/2019	Common Stock	17,7
Stock Appreciation Right <u>(13)</u>	\$ 9.29	02/10/2009		A	39,404	02/10/2010	02/10/2019	Common Stock	39,4
Restricted Share Units <u>(5)</u>	<u>(14)</u>					<u>(14)</u>	<u>(14)</u>	Common Stock	70
Restricted Share Units <u>(15)</u>	<u>(15)</u>	02/10/2009		A	12,110	<u>(15)</u>	<u>(15)</u>	Common Stock	12,1

